

diwan

From:  
Sent:  
To:  
Cc:  
Subject:  
Attachments:

<Ahmad Taher <ahmad.taher@redv.com.jo  
Thursday, July 23, 2020 2:00 PM  
disclosure@jsc.gov.jo; diwan  
'Tareq Bakeer'  
RE: البيانات المالية  
انجليزي اذار تطوير العقارات.pdf.

السادة/ هيئة الأوراق المالية - المحترمين.  
السادة/ بورصة عمان - المحترمين.

تحية طيبة,

نرفق لكم البيانات المالية لشركة تطوير العقارات المرحلية للربع الأول- 2020 " باللغة الانجليزية " .

مع الشكر والتقدير.

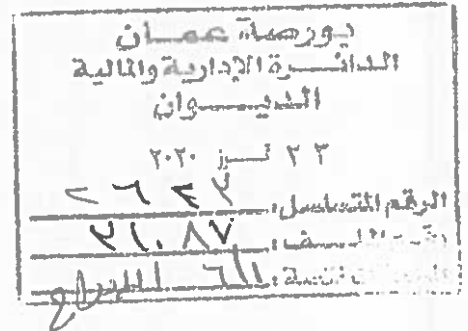
Best Regards,

Ahmad Taher

Chief Accountant



REDV "Real Estate Development CO."  
Phone: +962-6-5510352  
Fax: +962-6-5510353  
P.O.Box 962756 Amman 11196 Jordan



# **Real Estate Development Company**

**Public Shareholding Company**

**Condensed Interim Consolidated Financial Statements (Unaudited)**

**31 March 2020**

**Real Estate Development Company  
Public Shareholding Company**

---

	<u>Pages</u>
- Report on review of the condensed interim consolidated financial statements	2
- Interim consolidated statement of financial position	3
- Interim consolidated statement of profit or loss	4
- Interim consolidated statement of comprehensive income	5
- Interim consolidated statement of changes in equity	6
- Interim consolidated statement of cash flows	7
- Notes to the condensed interim consolidated financial statements	8 - 10



**Report on Review of the Condensed Interim Consolidated Financial Statements**

To The Board of Directors  
Real Estate Development Company  
Public Shareholding Company  
Amman - Jordan

**Introduction**

We have reviewed the accompanying condensed interim consolidated financial statements of **Real Estate Development Company PLC**, comprising the interim consolidated statement of financial position as at 31 March 2020 and the related interim consolidated statement of profit or loss, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the three months period then ended. Management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim consolidated financial statement based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements number 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**


Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

**Emphasis of Matter**

The accompanying condensed interim consolidated financial statements include projects under construction owned by Arab East Investments for Real Estate Company (subsidiary company) and registered in the name of Housing and Urban Development Corporation amounting to JOD (1,028,354) and other projects under construction registered in the name of Jordan Engineers Association amounting to JOD (1,496,432) against signed agreements with those parties.

20 May 2020  
Amman - Jordan



  
**Arab Professionals**  
**Amin Samara**  
**(License No. 481)**

**Real Estate Development Company**  
**Public Shareholding Company**  
**Interim consolidated statement of financial position as at 31 March 2020**

**(In Jordanian Dinar)**

	31 March 2020 (Unaudited)	31 December 2019 (Audited)
<b>Assets</b>		
<b>Non - Current Assets</b>		
Investment properties	14,471,741	15,689,425
Property and equipment	43,175	43,630
Financial assets measured at fair value through profit or loss	3,724,280	3,855,897
Financial assets measured at fair value through other comprehensive income	1,019,736	1,112,841
Investment in associate companies	1,207,683	1,231,728
Checks under collection- long term	120,000	-
Amounts due from related parties - long term	10,233,255	10,244,459
Projects under construction	2,524,786	2,524,786
<b>Total Non - Current Assets</b>	<b>33,344,656</b>	<b>34,702,766</b>
<b>Current Assets</b>		
Lands held for sale	11,576,442	11,316,442
Other current assets	9,299	19,963
Accounts receivable	308,180	312,092
Financial assets measured at fair value through profit or loss	1,287,974	1,437,041
Checks under collection - short term	620,321	-
Cash and cash equivalents	206,564	24,954
<b>Total Current Assets</b>	<b>14,008,780</b>	<b>13,110,492</b>
<b>Total Assets</b>	<b>47,353,436</b>	<b>47,813,258</b>
<b>Equity and Liabilities</b>		
<b>Shareholders' Equity</b>		
Paid - in capital	49,625,545	49,625,545
Statutory reserve	370,748	370,748
Parent company's shares owned by subsidiaries	(2,889,115)	(2,889,115)
Cumulative changes in fair value of financial assets	(1,874,143)	(1,823,189)
Accumulated losses	(21,258,905)	(20,924,787)
<b>Total Shareholders' Equity</b>	<b>23,974,130</b>	<b>24,359,202</b>
Non-controlling interests	11,167,706	11,228,748
<b>Total Equity</b>	<b>35,141,836</b>	<b>35,587,950</b>
<b>Liabilities</b>		
<b>Non - Current Liabilities</b>		
Bank facilities - long term	3,980,006	3,881,286
Amounts due to related parties - long term	5,410,649	5,414,520
<b>Total Non - Current Liabilities</b>	<b>9,390,655</b>	<b>9,295,806</b>
<b>Current Liabilities</b>		
Bank facilities - short term	766,994	762,048
Accounts payable	401,315	390,775
Obligation against shares repurchase agreement	200,000	200,000
Amounts due to related parties - short term	-	151,650
Unearned revenues	223,000	210,603
Other current liabilities	1,229,636	1,214,426
<b>Total Current Liabilities</b>	<b>2,820,945</b>	<b>2,929,502</b>
<b>Total Liabilities</b>	<b>12,211,600</b>	<b>12,225,308</b>
<b>Total Equity and Liabilities</b>	<b>47,353,436</b>	<b>47,813,258</b>

"The accompanying notes from (1) to (5) are an integral part of these condensed interim consolidated financial statements and read with review report"

**Real Estate Development Company**  
**Public Shareholding Company**  
**Interim consolidated statement of profit or loss for the three months ended at 31 March 2020**  
**(In Jordanian Dinar)**

	31 March 2020 <u>(Unaudited)</u>	31 March 2019 <u>(Unaudited)</u>
Profit from sale of lands, net	150,506	-
Changes in fair value of financial assets at fair value through profit or loss	(149,067)	29,953
Company's share from associate companies operations	(32,874)	40,505
Administrative expenses	(89,153)	(89,362)
Finance costs	(103,665)	(88,509)
Other expenses and revenues, net	<u>(142,559)</u>	<u>25,908</u>
<b>Loss for the period</b>	<b><u>(366,812)</u></b>	<b><u>(81,505)</u></b>
<b>Attributable to :</b>		
Owners of the parent	(334,118)	(71,155)
Non-controlling interests	<u>(32,694)</u>	<u>(10,350)</u>
	<b><u>(366,812)</u></b>	<b><u>(81,505)</u></b>
<b>Basic and diluted losses per share</b>	<b><u>(0.007)</u></b>	<b><u>(0.002)</u></b>

"The accompanying notes from (1) to (5) are an integral part of these condensed interim consolidated financial statements and read with review report"

**Real Estate Development Company  
Public Shareholding Company**  
**Interim consolidated statement of comprehensive income for the three months ended at 31 March 2020**

**(In Jordanian Dinar)**

	31 March 2020 (Unaudited)	31 March 2019 (Unaudited)
Loss for the period	(366,812)	(81,505)
<b>Other comprehensive income items:</b>		
Company's share from other comprehensive income of associate companies	13,809	9,913
Changes in fair value of financial assets through other comprehensive income	(93,111)	2,688
<b>Total comprehensive loss for the period</b>	<b>(446,114)</b>	<b>(68,904)</b>
 <b>Attributable to :</b>		
Owners of the parent	(385,072)	(61,934)
Non-controlling interests	(61,042)	(6,970)
	<b>(446,114)</b>	<b>(68,904)</b>

"The accompanying notes from (1) to (5) are an integral part of these condensed interim consolidated financial statements and read with review report"

**Real Estate Development Company**  
**Public Shareholding Company**  
**Interim consolidated statement of changes in equity for the three months ended at 31 March 2020 (Unaudited)**  
**(In Jordanian Dinar)**

	<u>Paid - in capital</u>	<u>Statutory reserve</u>	<u>Parent company's shares owned by subsidiaries</u>	<u>Cumulative changes in fair value of financial assets</u>	<u>Accumulated losses *</u>	<u>Total shareholders' equity</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
<b>Balance at 1 January 2020</b>	49,625,545	370,748	(2,889,115)	(1,823,189)	(20,924,787)	24,359,202	11,228,748	35,587,950
Total comprehensive loss for the period	-	-	-	(50,954)	(334,118)	(385,072)	(61,042)	(446,114)
<b>Balance at 31 March 2020</b>	<u>49,625,545</u>	<u>370,748</u>	<u>(2,889,115)</u>	<u>(1,874,143)</u>	<u>(21,258,905)</u>	<u>23,974,130</u>	<u>11,167,706</u>	<u>35,141,836</u>
<b>Balance at 1 January 2019</b>	49,625,545	370,748	(2,889,115)	(1,720,701)	(19,941,485)	25,444,992	11,899,761	37,344,753
Total comprehensive loss for the period	-	-	-	9,221	(71,155)	(61,934)	(6,970)	(68,904)
<b>Balance at 31 March 2019</b>	<u>49,625,545</u>	<u>370,748</u>	<u>(2,889,115)</u>	<u>(1,711,480)</u>	<u>(20,012,640)</u>	<u>25,383,058</u>	<u>11,892,791</u>	<u>37,275,849</u>

\* Accumulated losses as at 31 March 2020 does not include unrealized gains related to changes in fair value of financial assets at fair value through profit or loss.

"The accompanying notes from (1) to (5) are an integral part of these condensed interim consolidated financial statements and read with review report"



**Real Estate Development Company**  
**Public Shareholding Company**  
**Interim consolidated statement of cash flows for the three months ended at 31 March 2020**

(In Jordanian Dinar)

	31 March 2020 (Unaudited)	31 March 2019 (Unaudited)
<b>Operating activities</b>		
Loss for the period	(366,812)	(81,505)
Depreciation	455	458
Changes in fair value of financial assets at fair value through profit or loss	149,067	(29,953)
Company's share from associate companies operations	32,874	(40,505)
Profit from sale of investment properties	(150,506)	-
Currency exchange differences	131,617	-
<b>Changes in working capital</b>		
Accounts receivable	3,912	2,758
Other current assets	15,638	8,309
Other current liabilities	15,210	9,811
Accounts payable	10,540	7,281
Unearned revenues	12,397	-
Lands held for sale	(260,000)	(4,369)
<b>Net cash flows used in operating activities</b>	<u>(405,608)</u>	<u>(127,715)</u>
<b>Investing activities</b>		
Investment properties	<u>627,869</u>	<u>-</u>
<b>Financing activities</b>		
Related parties	(144,317)	(2,102)
Bank facilities	<u>103,666</u>	<u>88,510</u>
<b>Net cash flows (used in) from financing activities</b>	<u>(40,651)</u>	<u>86,408</u>
<b>Changes in cash and cash equivalents</b>	181,610	(41,307)
Cash and cash equivalents, beginning of year	<u>24,954</u>	<u>49,828</u>
<b>Cash and cash equivalents, end of period</b>	<u><b>206,564</b></u>	<u><b>8,521</b></u>

"The accompanying notes from (1) to (5) are an integral part of these condensed interim consolidated financial statements and read with review report"

**Real Estate Development Company**  
**Public Shareholding Company**  
**Notes to the condensed interim consolidated financial statements (Unaudited)**  
**31 March 2020**

**(In Jordanian Dinar)**

---

**1 . General**

**Real Estate Development Company** was established on 24 June 1995 as a Public Shareholding Company and registered at the Ministry of Trade and Industry under number (287). The Company obtained the right to start its operations on 21 October 1995. The company's head office is in the Hashemite Kingdom of Jordan. The company's main objective is exercising all real estate investment activities.

The Company shares are listed in Amman Stock Exchange - Jordan.

The accompanying condensed interim consolidated financial statements have been approved for issue by the company's Board of Directors on 20 May 2020.

**2 . Summary of Significant Accounting Policies**

**Basis of Preparation**

The condensed interim Consolidated financial statements of the company have been prepared in accordance with IAS (34) Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2019.

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for the financial assets at fair value.

The condensed interim consolidated financial statements are presented in Jordanian Dinar which is the functional currency of the company.

The accounting policies are consistent with those used in the previous period, except for the adoption of new and amended standards effective as at the beginning of the period.

**Principles of Consolidation**

The condensed interim consolidated financial statements comprise of the interim financial statements of the company and its subsidiaries where the company has the power to govern the financial and operating policies of the subsidiaries so as to obtain benefits from their activities. The financial statements of the subsidiaries are prepared for the same reporting year as the company using consistent accounting policies. All balances, transactions, income, and expenses between the company and its subsidiaries are eliminated.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiaries are consolidated in the interim consolidated statement of profit or loss from the acquisition date which is the date on which control over subsidiaries is transferred to the company. The results of operation of the disposed subsidiaries are consolidated in the comprehensive income to the disposal date which is the date on which the company loses control over the subsidiaries.

**Real Estate Development Company PLC**  
**Notes to the condensed interim consolidated financial statements (Unaudited)**  
**31 March 2020**

---

The following subsidiaries have been consolidated:

<u>Company</u>	<u>Ownership</u>	<u>Paid-in capital</u>	<u>Activity</u>
Iwan for Construction LLC	100%	10,000	Housing construction
Iwan for Engineering Consultancy	100%	1,000	Engineering consultancy
Al-Ula for Investment Management	100%	10,000	Real estate development
Daret Amman for Housing Projects LLC	83%	10,000	Housing construction
Arab East Investments for Real Estate PLC	70%	9,996,082	Real estate development
Dghaileeb for Real Estate Investments LLC	70%	10,000	Real estate development
Asrar for Real Estate Investments LLC	70%	10,000	Real estate development
Al - Molheq for Real Estate Investments LLC	52%	10,000	Real estate development
Noor Al Sharq for Real Estate Investments LLC	43%	10,000	Real estate development
Al - Ifsah for Real Estate Investments LLC	35%	10,000	Real estate development
Al - Fanneyyah Lelmantojat Al Kharasaneyah LLC	35%	10,000	Real estate development

The financial statements for Noor Al Sharq for Real Estate Investments, Al - Ifsah for Real Estate Investments and Al Fanneyyah Lelmantojat Al Kharasaneyah were consolidated with the accompanying condensed interim consolidated financial statements even though the ownership percentage is below 50% due to the control imposed by the Real Estate Development Company on the financial and operational policies of these companies.

#### **Use of estimates**

Preparation of the condensed interim consolidated financial statements and the application of accounting policies require the company's management to estimate and assess some items affecting financial assets and liabilities and to disclose contingent liabilities. These estimates and assumptions also affect certain elements of the company's assets, liabilities and provisions, and revenue and expenses, and require estimating and assessing the amounts and timing of future cash flows. The mentioned estimates and assumptions are based on multiple factors with varying degrees of assessment and uncertainty. Moreover, the actual results may differ from the estimates due to the changes resulting from the conditions and circumstances of those estimates in the future.

Management believes that the estimates are reasonable and are as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the interim consolidated statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

### **3 . Tax Status**

- The Company has settled its tax liability with Income Tax Department up to the year ended 2016.
- The income tax returns for the years 2017, 2018 and 2019 have been filed with the Income Tax Department but the Department has not reviewed the company's records till the date of this report.
- No Income and National Contribution tax provision has been taken on the Company's results of operations for the three months ended at 31 March 2020 as the Company's expenses exceeded its taxable revenues.

#### 4 . Fair Value

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

Financial assets and financial liabilities measured at fair value in the consolidated interim statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observe ability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

<u>31 March 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets measured at fair value through profit or loss	1,287,974	3,724,280	-	5,012,254
Financial assets measured at fair value through other comprehensive income	<u>957,557</u>	<u>62,179</u>	<u>-</u>	<u>1,019,736</u>
	<b><u>2,245,531</u></b>	<b><u>3,786,459</u></b>	<b><u>-</u></b>	<b><u>6,031,990</u></b>
<u>31 December 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets measured at fair value through profit or loss	1,437,041	3,855,897	-	5,292,938
Financial assets measured at fair value through other comprehensive income	<u>1,050,662</u>	<u>62,179</u>	<u>-</u>	<u>1,112,841</u>
	<b><u>2,487,703</u></b>	<b><u>3,918,076</u></b>	<b><u>-</u></b>	<b><u>6,405,779</u></b>

#### 5 . The Impact of the New Corona Pandemic (Covid-19)

The outbreak of the new Corona virus (Covid-19) at the beginning of 2020 caused a global economic crisis and disrupted many companies and economic activities, which would negatively affect the financial position of the Company, the results of its operations and its cash flows, and given that the situation is changing and rapidly developing, the Company's management is unable to determine the likely impact of this outbreak on the Company's interim financial statements at this stage.